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May 11, 2011

**VIA ELECTRONIC FILING**

Jocelyn Boyd, Esquire  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

RE: Application of Advanced Communications Solutions, LLC, for a Certificate of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for Alternative Regulation.  
DOCKET NO. 2011-119-C


Dear Ms. Boyd:

Enclosed please find for filing the Direct Testimony of David Funderburk in the above. The testimony was due Monday, May, 9, 2011, and we are requesting that the testimony be accepted for filing. The ORS has no objection to our request. By copy of this letter, I am serving the Office of Regulatory Staff.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.

A handwritten signature in black ink, appearing to be 'Scott Elliott', written over the printed name.

Scott Elliott

SE/jcl

Enclosures

cc: Shealy B. Reibold, Esquire w/enc.  
B. Randall Dong, Esquire w/enc.

STATE OF SOUTH CAROLINA  
BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DOCKET NO.: 2011-119-C

Application of ADVANCED COMMUNICATIONS SOLUTIONS, LLC )  
For a Certificate of Public Convenience and Necessity )  
to Provide Interexchange and Local Exchange )  
Telecommunications Services and for local service )  
and for flexible regulation of local exchange service and )  
alternative regulation of its long distance service offerings )

**ADVANCED COMMUNICATIONS SOLUTIONS, LLC**

**TESTIMONY OF**

**DAVID FUNDERBURK**

1    **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE**  
2    **NUMBER.**

3    **A.**    My name is DAVID FUNDERBURK.    My business address is 3428 Larch Pine Drive,  
4    Duluth, Georgia 30096. My telephone number is (770) 623-4409.

5    **Q.     BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6    **A.**    I am the President and Managing Member of Advanced Communications Solutions, LLC  
7    ("ACS"), the Applicant in this proceeding, and its parent company ITO, LLC.

8    **Q.     WHAT ARE YOUR RESPONSIBILITIES WITH ACS CORPORATION?**

9    **A.**    As Managing Member of ACS, I am responsible for ACS's day-to-day operations,  
10    excluding sales and marketing, for the company's ongoing profitability. I also oversee the  
11    management responsibility of the Applicant's parent company.  
12

13   **Q.     PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND,**  
14   **PROFESSIONAL EXPERIENCE.**

15   I have extensive professional and industry specific experience necessary to ensure ACS's  
16   continued success. My telecommunications experience dates back to 1996 when I worked  
17   for Lynx Telecommunications in Ft. Lauderdale, Florida. During my tenure Lynx won  
18   the agent of the year award from AT&T three times as well as ranking its top 5 sales  
19   agent from 1998-2007. In 2004 I helped for ACS's parent company ITO, LLC. Today  
20   ITO does 3.5 Million in sales and is the largest DSL RBAN wholesale aggregator for  
21   AT&T and supports 30 members in 14 states.

22  
23   **Q.     HAS ACS REGISTERED TO DO BUSINESS IN SOUTH CAROLINA?**

24   **A.**    Yes, ACS has obtained authorization from the South Carolina Secretary of State.

25   **Q.     ARE YOU FAMILIAR WITH THE APPLICATION SUBMITTED BY YOUR**

1    **COMPANY TO THIS COMMISSION?**

2    **A.**    Yes, I am.

3    **Q.**       **DID YOU HAVE HELP IN PREPARING THIS TESTIMONY?**

4    **A.**       Yes, I did. ACS's Chief Regulatory Officer, Joseph Isaacs aided in the preparation  
5    of my testimony.

6    **Q.**       **DO YOU CONFIRM THE STATEMENTS AND REPRESENTATIONS**  
7    **MADE IN THAT APPLICATION?**

8    **A.**       Yes, I do.

9    **Q.**       **WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

10   **A.**       My testimony addresses ACS's practices and proposed South Carolina services, and  
11  
12   demonstrates that ACS possesses the financial, technical, managerial, and operational capabilities  
13   to operate as a provider of competitive local exchange and Interexchange telecommunications  
14   services in South Carolina, as well as ACS's intent to comply with all applicable Commission  
15   regulations.

16  
17   **Q.**       **PLEASE DESCRIBE THE AUTHORITY THAT ACS SEEKS FROM THE**  
18   **COMMISSION.**

19   **A.**       ACS seeks a certificate of authority to provide resold and facilities-based local exchange  
20   and Interexchange telecommunications services throughout the State of South Carolina.  
21   ACS, proposes to provide its services through the resale of ILEC services and via a UNE  
22   platform of AT&T within the State of South Carolina.

23   **Q.**       **HAS ACS OR ITS AFFILIATES BEEN AUTHORIZED TO PROVIDE SUCH**



1    **SERVICE IN ANY OTHER JURISDICTIONS?**

2    A.     Not yet, but ACS has pending authority in Georgia and Florida.

3    **Q.     HAS ACS EVER BEEN DENIED AUTHORIZATION BY A STATE**  
4    **REGULATORY AGENCY?**

5    A.     No, ACS has never been denied authorization by any State or Federal regulatory agency.

6    **Q.     HAS ACS PROVIDED SERVICE UNDER ANY OTHER NAME?**

7    A.     ACS has not provided telecommunications services under any other name.

8    **Q.     HAVE ANY COMPLAINTS OR JUDGEMENTS BEEN LEVIED AGAINST THE**  
9    **COMPANY?**

10   A.     No complaints or judgments have been levied against the company.

11   **Q.     PLEASE DESCRIBE THE CORPORATE STRUCTURE OF ACS.**

12   A.     ACS is a Limited Liability Company organized under the laws of the State of Georgia. A  
13   copy of the Articles of Formation are attached to ACS's application as Exhibit "A". ACS  
14   currently employs 5 individuals in administration, sales and marketing, accounting, and operations  
15   positions at its headquarters in Georgia. ACS has not or does not currently provide local service  
16   in South Carolina under any other name. ACS is a wholly owned subsidiary of ITO, LLC.

17   **Q.     PLEASE ADDRESS ACS'S MANAGERIAL AND TECHNICAL**  
18   **QUALIFICATIONS.**

19   A.     ACS possesses the managerial and technical qualifications to provide local exchange and  
20   interexchange telecommunications service in South Carolina. ACS's management team has  
21   considerable experience in marketing, network operations, financial analysis/accounting,  
22   customer service, training, sales, regulatory, and other relevant areas. A description of the  
23   telecommunications experience and expertise of ACS's key management personnel is attached to  
24   ACS's application at Exhibit "D". As the resumes of ACS's key personnel reflect, these

1 individuals have substantial experience in various aspects of telecommunications operations.

2 Each member of ACS's management team will draw upon his or her own experience, as well as the  
3 collective experience of the entire management team, to ensure that ACS is managed and operated  
4 efficiently and profitably.

5 **Q. PLEASE DESCRIBE ACS'S FINANCIAL QUALIFICATIONS.**

6 A. ACS is financially qualified to provide the proposed telecommunications services  
7 within South Carolina. (Please see Financial Statements attached to the Application).

8 **Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT ACS PROPOSES TO**  
9 **OFFER IN SOUTH CAROLINA.**

10 A. ACS seeks authority to provide competitive local exchange and Interexchange  
11 telecommunications services through resale, and via a UNE platform, of the services of  
12 other certificated carriers including BellSouth d/b/a AT&T South Carolina and Alltel.  
13 ACS intends to offer mainly voice and data communications services, including but not  
14 limited to providing basic local telephone service, operator assisted calling services and  
15 data services to business customers. The Company intends to offer private line and  
16 advanced broadband services in areas where those services are not currently available.

17 **Q. HOW WILL ACS PROVIDE THESE SERVICES?**

18 A. ACS will resell or utilize the services of existing facilities-based carriers in South  
19 Carolina, including the services offered by incumbent local exchange carriers ("ILECs") and other  
20 competitive local exchange carriers ("CLECs"). In addition, where appropriate, ACS will  
21 provide its telecommunications services through combination of unbundled network elements  
22 provided by the ILECs and other CLECs. ACS currently plans to own facilities in South Carolina  
23 in the future, and thus seeks authority to provide both facilities-based and resold local exchange  
24



1 and Interexchange telecommunications services in South Carolina. Until ACS determines  
2 exactly where market conditions warrant installation of its own facilities, ACS will provide its  
3 services primarily on a resold basis.

4 **Q. WHAT GEOGRAPHIC AREAS WILL ACS SERVE?**

5 **A.** ACS seeks authority to provide resold and facilities-based local services and resold  
6  
7 interexchange services throughout the state of South Carolina. At the present time, ACS intends  
8 to provide local exchange service primarily in the geographic areas currently served by Bellsouth.  
9 However, ACS requests statewide authority so that it may expand its service areas in the future as  
10 market conditions warrant.

11 **Q. HOW DOES ACS INTEND TO MARKET ITS SERVICES?**

12 **A.** ACS intends to utilize in-house marketing staff as well as outside salespersons and  
13 agents.

14 **Q. HOW WILL ACS RESPOND TO CUSTOMER INQUIRIES AND**  
15 **COMPLAINTS?**

16 **A.** ACS will handle customer service orders, requests, inquiries, and/or complaints through its  
17 national toll-free number (800-640-7635). This number will be printed  
18 on customer invoices. ACS's customer service center is currently available between  
19 the hours of 8:00 am to 6:00 pm EST Monday through Friday, as well as 9:00 am  
20 to 2:00 pm Saturday, and is staffed by knowledgeable customer service representatives.  
21 As the Company's customer base grows, the Company will establish a customer service center  
22 that is available twenty-four hours a day, seven days a week. Resolution and/or  
23 escalation of customer service complaints will be handled in conformity with applicable  
24 Commission regulations.

1 Q. WHO IS THE PERSON WITHIN ACS THAT IS RESPONSIBLE FOR THE  
2 HANDLING OF CONSUMER COMPLAINTS, INCLUDING THOSE THAT  
3 MAY BE FORWARDED TO THE COMPANY BY THIS COMMISSION?  
4

5 A. Initially, I will assume overall responsible for handling consumer complaints.

6 Q. IF AUTHORIZED TO PROVIDE COMPETITIVE TELECOMMUNICATIONS  
7 SERVICES, WILL ACS ABIDE BY THE RULES, REGULATIONS POLICIES AND  
8 ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF SOUTH  
9 CAROLINA, IN ITS PROVISION OF COMPETITIVE INTRASTATE LOCAL  
10 EXCHANGE AND INTEREXCHANGE SERVICES, AS NOW ADOPTED OR THAT  
11 MAY BE ADOPTED?  
12

13 A. Yes we will. As a new player in the competitive local service industry, ACS will provide  
14 service in the State in full compliance with any and all rules and regulations that have  
15 been or may be adopted relating to the provision of local exchange and interexchange  
16 services, as well as any other applicable state or federal rules, regulations, or statutes.  
17 For example, ACS Corporation will comply with any requirements that the Commission  
18 and/or the State of South Carolina may feel are necessary to preserve and advance  
19 universal service, protect the public safety and welfare, ensure the continued quality of  
20 local services, and safeguard the rights of consumers. ACS will also comply with all  
21 statutory and Commission requirements including the filing of tariffs; customer  
22 notification of rate increases; customer billing and credit issues; access to 9-1-1 services;  
23 access to telecommunications for persons with disabilities; pay-per-call services; and the  
24 filing of regulatory reports and the payment of regulatory assessments, the preservation  
25 of records and procedures governing the establishment of credit, billing, deposits,  
26



1 termination of service, and issuance of telephone directories. ACS does not plan to offer  
2 pay per call services.

3  
4 **Q. DID ACS REQUEST ANY WAIVERS IN ITS APPLICATION?**

5 **A.** Yes, ACS has requested waivers from any requirements that its financial records be  
6 maintained in conformance with the Uniform System of Accounts. We currently maintain  
7 our records in accordance with GAAP; and therefore, do not possess the detailed cost  
8 data required by USOA. In addition we requested a waiver of 26 S.C. Reg. 103-610's  
9 requirement that our books be kept in South Carolina. Our records are currently  
10 maintained in Georgia at our corporate facility. Maintaining its books and records in  
11 South Carolina would be unduly burdensome. ACS has a registered agent in South  
12 Carolina and will bear any costs associated with the Commission's inspection of its  
13 books and records. We also requested to be exempt from the publication of a local directory. We  
14 will make arrangements with the incumbent carrier to include our customers in the directory  
15 published by the incumbent LEC. Because ACS's service territory will mirror those of the  
16 incumbent's, ACS has requested a waiver of the map filing requirement.

17  
18 **Q. WILL ACS'S USE OF GAAP PROVIDE SUFFICIENT DETAIL FOR THE**  
19 **CALCULATION OF APPLICABLE TAXES?**

20 **A.** ACS will maintain sufficient detail to facilitate the calculation of applicable taxes  
21 including the preparation of the South Carolina Gross Receipt Tax returns.

22 **Q. DID ACS REQUEST FLEXIBLE REGULATORY TREATMENT FOR**  
23 **ITS LOCAL EXCHANGE SERVICES?**

24  
25 **A.** Yes, the Company will be a non-dominant, competitive provider of local exchange

1 telecommunications services. Therefore, we request that the Commission regulate our company in  
2 the same relaxed fashion authorized in Order No. 98-165 in Docket No. 97-  
3 467-C and extended to other similarly situated carriers. We understand that the flexible  
4 regulatory treatment requires that we file maximum rates for our service offerings. Local  
5 tariff filings would be presumed valid once they are filed subject to the Commission's  
6 right to investigate the filing within thirty (30) days.

7 **Q. WHAT REGULATORY TREATMENT IS ACS SEEKING IN THIS**  
8 **APPLICATION FOR ITS LONG DISTANCE BUSINESS SERVICES,**  
9 **CONSUMER CARD SERVICES, PRIVATE LINE SERVICES AND OPERATOR**  
10 **ASSISTED SERVICES OFFERINGS?**

11 A. ACS requests that all its business service offerings be regulated pursuant to the  
12 procedures described and set forth in Docket No. 95-661-C and modified in Docket No.  
13 2000-407-C. It is ACS's intent by this request to have its long distance business  
14 services, consumer card services, any future private line services, and operator assisted services  
15 regulated in the same manner the Commission has permitted for AT&T Communications.

16 **Q. HOW WILL SOUTH CAROLINA CONSUMERS BENEFIT FROM ACS**  
17 **SERVICES?**

18 A. Granting of ACS's Application will introduce a telecommunications service provider  
19 committed to providing high quality, innovative, and technologically advanced services that will  
20 further increase telecommunications services in South Carolina. ACS's network will utilize  
21 state-of-the-art technology. ACS's service offerings will increase consumer choice, improve the  
22 quality and efficiency in telecommunications services and will likely lead to the reduction of

1 consumer costs, as well as stimulate development of additional services by providing competitive  
2 incentives to other providers. Thus, granting ACS's application is in the public interest.

3 **Q. HOW WILL ACS GUARD AGAINST SLAMMING?**

4 **A.** As a new competitive entrant into the market, ACS has never had an incident of  
5 slamming or any other form of customer complaint. ACS will comply with South Carolina law and  
6 the recently revised Federal Communications Commission's ("FCC's") regulations regarding how  
7 carriers may change a consumer's local exchange carrier or Primary Interchange Carrier ("PIC"),  
8 pursuant to 47 C.F.R. §64.110 *et seq.*. In general, primary local exchange carrier or PIC changes  
9 will require the customer's signature.  
10

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 **A.** Yes, it does. I reserve the right, however, to amend or modify my testimony, as appropriate.



## CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of **Advanced Communications Solutions, LLC**, for a Certificate of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for Alternative Regulation.

DOCKET NO. 2011-119-C

PARTIES SERVED: Shealy B. Reibold, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

PLEADING: Direct Testimony of David Funderburk

May 11, 2011

  
Jackie C. Livingston  
Paralegal to Scott Elliott